

MEMO

DATE: June 15, 2007

TO: Transportation and Communications Committee

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SUBJECT: Trade Corridor Improvement Fund (TCIF)—Programming Framework Alternatives

BACKGROUND:

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by voters as Proposition 1B, requires that \$2,000,000,000 be transferred from the California Ports Infrastructure, Security, and Air Quality Improvement Account, to the Trade Corridors Improvement Fund (TCIF), which is established under the Act. The funds in the TCIF are required to be available for allocation by the California Transportation Commission (CTC) for infrastructure improvements or along federally designated “Trade Corridors of National Significance” in this state or along other corridors within this state that have a high volume of freight movement.

Three programming framework alternatives were proposed to identify the CTC’s policy and implementation expectations for the TCIF program and to provide guidance to the Legislature as it crafts legislation to direct the CTC’s TCIF efforts. A meeting was held on June 15, 2007, in the Port of Oakland to discuss the programming framework alternatives.

Similarities in the Alternatives

In all three alternatives:

- The CTC would identify the Corridors of National Significance identified in the GMAP or other corridors within the state with a high volume of freight movement for inclusion in the TCIF Program.
- The CTC would use funding targets to ensure geographical balance to program from the TCIF Account.
- All projects submitted by the regions must meet the TCIF program objectives and intent, be ready for construction within five years, and be included in an RTP.

The key differences between the alternatives are as follows:

Alternative 1: Formula Driven Framework

- The regions would identify activities that contribute to the most significant trade corridor concerns.
- Using the funding targets, the CTC would rank and program funds based on the degree to which activities within a corridor contribute to the state’s overall trade corridor concerns.
- The regions would submit projects that address the most significant trade corridor activities that require immediate resolution and provide long term benefit.
- The CTC would then evaluate and select projects based on the project selection criteria.

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Alternative 2: Investment Framework

- Using the funding targets, the CTC would establish broad statewide programming criteria and performance objectives for the TCIF program.
- The regions would work individually to develop appropriate program objectives, investment criteria and performance measures for each corridor.
- The CTC would review and approve the program objectives, investment criteria and performance measures for each corridor, and ensure that the four corridor approaches reflect a statewide strategy.
- The regions would develop an investment package which identifies and prioritizes projects, and includes performance measures and committed funds.
- The CTC, working closely with the regional agencies, would evaluate and select projects based on the project selection criteria specific to each corridor, selecting projects that address the state's most urgent needs and provide reasonable geographic balance within and between the state's corridors.

Alternative 3: System Activity Based Framework

- The regions would identify activities within their corridor(s) that offer the greatest system benefits for achieving the TCIF program objectives by implementing demand management strategies and targeting activities that would provide the greatest system benefits to the TCIF program objectives.
- Using the funding targets, the CTC would program funds to those regions based on the activities that would provide the greatest system benefit to the TCIF program objectives.
- The regions would nominate projects, including a target for anticipated system benefits, total activity performance measurements and project investment required to achieve the TCIF program objectives.
- The CTC would rank, evaluate and select projects based on the project selection criteria.


Result of the Meeting

The purpose of the meeting was to discuss the alternatives and come to a consensus. But after a lengthy discussion during which several comments were brought up, no final decision was made. However, CTC Executive Director John Barna stated that Alternative 2 appears to be emerging as the favorite. Since Alternative 2 defers to the Legislature the decision of how to divide the funds among the state's five regions, a phased approach driven by the Legislature was laid out by Jennifer Gress, consultant for Senator Lowenthal. According to this approach, the Legislature would allocate the first \$1 billion by this fall and the second billion by 2011. CTC staff will brief the Legislature in the next few weeks and hold a series of meetings to arrive at a decision regarding the alternatives.

FISCAL IMPACT:

None.

Reviewed by:




Division Manager

Reviewed by:



Department Director

Reviewed by:



Chief Financial Officer